

APPENDIX A -- LIST OF COMMENTERS**Comments:**

American Public Communications Council (APCC)
Ameritech Corporation (Ameritech)
AT&T Corporation (AT&T)
Bell Atlantic Corporation (Bell Atlantic)
BellSouth Corporation (BellSouth)
Blooston, Mordkofsky, Jackson & Dickens (Blooston)
Cellular Telecommunications Industry Assoc. (CTIA)
GTE Service Corporation (GTE)
GST Telecom Inc. (GST)
IDT Corporation (IDT)
Lockheed Martin IMS (Lockheed)
MCI WorldCom, Inc. (MCI)
MediaOne Group, Inc. (MediaOne)
North American Numbering Plan Billing and Collection Agent (NBANC)
National Exchange Carrier Association (NECA)
Omnipoint Communications, Inc. (OmniPoint)
Personal Communications Industry Assoc. (PCIA)
Rural Telephone Coalition (RTC)
SBC Communications, Inc. (SBC)
Sprint Corporation (Sprint)
STAR Telecommunications, Inc. (STAR)
Telecommunications Resellers Assoc. (TRA)
Ursus Telecom Corporation (Ursus)
United States Cellular Corporation (USCC)
United States Telephone Association (USTA)
Universal Service Administrative Co. (USAC)
USF Coalition
U S West Communications, Inc. (U S West)

Replies:

Ameritech
Bell Atlantic
BellSouth
Blooston
Loral Space & Communications Ltd. (Loral)
GTE
MCI
Qwest Communications Corporation, (Qwest)
RSL Com USA, Inc./Delta Three (RSL Com)
SBC

APPENDIX B -- RULES AMENDED**AMENDMENTS TO THE CODE OF FEDERAL REGULATIONS****PART 1--PRACTICE AND PROCEDURE**

1. The authority citation for Part 1 continues to read as follows:

AUTHORITY: 15 U.S.C. 79 *et seq.*; 47 U.S.C. 151, 154(i), 154(j), 155, 225, and 303(r).

2. Section 1.47(h) of the Commission's rules is amended to read as follows:

§ 1.47 Service of documents and proof of service.

(h) Every common carrier subject to the Communications Act of 1934, as amended, shall designate an agent in the District of Columbia, and may designate additional agents if it so chooses, upon whom service of all notices, process, orders, decisions, and requirements of the Commission may be made for and on behalf of said carrier in any proceeding before the Commission. Such designation shall include, for both the carrier and its designated agents, a name, business address, telephone or voicemail number, facsimile number, and, if available, Internet e-mail address. The carrier shall additionally list any other names by which it is known or under which it does business, and, if the carrier is an affiliated company, the parent, holding, or management company. Within thirty (30) days of the commencement of provision of service, each carrier shall file such information with the Formal Complaints and Investigations Branch of the Common Carrier Bureau. Carriers may file a hard copy of the relevant portion of the Telecommunications Reporting Worksheet, as delineated by the Commission in the Federal Register, to satisfy this requirement. Each Telecommunications Reporting Worksheet filed annually by a common carrier must contain a name, business address, telephone or voicemail number, facsimile number, and, if available, Internet e-mail address for its designated agents, regardless of whether such information has been revised since the previous filing. Carriers must notify the Commission within one week of any changes in their designation information by filing revised portions of the Telecommunications Reporting Worksheet with the Formal Complaints and Investigations Branch of the Common Carrier Bureau. A paper copy of this designation list shall be maintained in the Office of the Secretary of the Commission. Service of any notice, process, orders, decisions or requirements of the Commission may be made upon such carrier by leaving a copy thereof with such designated agent at his office or usual place of residence. If a carrier fails to designate such an agent, service of any notice or other process in any proceeding before the Commission, or of any order, decision, or requirement of the Commission, may be made by posting such notice, process, order, requirement, or decision in the Office of the Secretary of the Commission.

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PART 52 - NUMBERING

Part 52 of Title 47 of the Code of Federal Regulations (C.F.R.) is amended as follows:

1. The authority citation for Part 52 continues to read as follows:

AUTHORITY: Sec. 1, 2, 4, 5, 48 Stat. 1066, as amended; 47 U.S.C. § 151, 152, 154, 155 unless otherwise noted. Interpret or apply secs. 3, 4, 201-205, 207-209, 218, 225-7, 251-2, 271 and 332, 48 Stat. 1070, as amended, 1077; 47 U.S.C. 153, 154, 201-205, 207-09, 218, 225-7, 251-2, 271 and 332 unless otherwise noted.

2. Section 52.16 of the Commission's rules is amended to read as follows:

§ 52.16 Billing and Collection Agent.

The B & C Agent shall:

(a) Calculate, assess, bill and collect payments for numbering administration functions and distribute funds to NANPA on a monthly basis;

(b) Distribute to carriers the "Telecommunications Reporting Worksheet," described in Section 52.17(b).

(c) Keep confidential all data obtained from carriers and not disclose such data in company-specific form unless authorized by the Commission. Subject to any restrictions imposed by the Chief of the Common Carrier Bureau, the B & C Agent may share data obtained from carriers with the administrators of the universal service support mechanism (See 47 C.F.R. Sec. 54.701), the TRS Fund (See 47 C.F.R. Sec. 64.604(c)(4)(iii)(H)), and the local number portability cost recovery (See 47 C.F.R. Sec. 52.32). The B & C Agent shall keep confidential all data obtained from other administrators. The B & C Agent shall use such data, from carriers or administrators, only for calculating, collecting and verifying payments. The Commission shall have access to all data reported to the Administrator. Contributors may make requests for Commission nondisclosure of company-specific revenue information under § 0.459 of this Chapter by so indicating on the Telecommunications Reporting Worksheet at the time that the subject data are submitted. The Commission shall make all decisions regarding nondisclosure of company-specific information.

(d)-(f) * * *

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3. Section 52.17 of the Commission's rules is amended to read as follows:

§ 52.17 Costs of number administration.

All telecommunications carriers in the United States shall contribute on a competitively neutral basis to meet the costs of establishing numbering administration.

(a) Contributions to support numbering administration shall be the product of the contributors' end-user telecommunications revenues for the prior calendar year and a contribution factor determined annually by the Chief of the Common Carrier Bureau; such contributions to be no less than twenty-five dollars (\$25). The contribution factor shall be based on the ratio of expected number administration expenses to end-user telecommunications revenues. Carriers that have no end-user telecommunications revenues shall contribute twenty-five dollars (\$25). In the event that contributions exceed or are inadequate to cover administrative costs, the contribution factor for the following year shall be adjusted by an appropriate amount.

(b) All telecommunications carriers in the United States shall complete and submit a "Telecommunications Reporting Worksheet" (as published by the Commission in the Federal Register), which sets forth the information needed to calculate contributions referred to in subsection (a). The worksheet shall be certified to by an officer of the contributor, and subject to verification by the Commission or the B & C Agent at the discretion of the Commission. The Chief of the Common Carrier Bureau may waive, reduce, modify, or eliminate contributor reporting requirements that prove unnecessary and require additional reporting requirements that the Bureau deems necessary to the sound and efficient administration of the number administration cost recovery.

* * *

4. Section 52.32 of the Commission's rules is amended to read as follows:

§ 52.32 Allocation of the shared costs of long-term number portability.

(a) * * *

(b) All telecommunications carriers providing service in the United States shall complete and submit a "Telecommunications Reporting Worksheet" (as published by the Commission in the Federal Register), which sets forth the information needed to calculate contributions referred to in subsection (a). The worksheet shall be certified to by an officer of the contributor, and subject to verification by the Commission or the administrator at the discretion of the Commission. The Chief of the Common Carrier Bureau may waive, reduce, modify, or eliminate contributor reporting requirements that prove unnecessary and require additional reporting requirements that the Bureau deems necessary to the sound and efficient administration of long-term number portability.

(c) Local number portability administrators shall keep all data obtained from contributors confidential and shall not disclose such data in company-specific form unless directed to do so by the Commission. Subject to any restrictions imposed by the Chief of the Common Carrier Bureau, the local number portability administrators may share data obtained from carriers with the administrators of the universal service support mechanism (See 47 C.F.R. Sec. 54.701), the TRS Fund (See 47 C.F.R. Sec. 64.604(c)(4)(iii)(H)), and the North American Numbering Plan cost recovery (See 47 C.F.R. Sec. 52.16). The local number portability administrators shall keep confidential all data obtained from other administrators. The administrators shall use such data, from carriers or administrators, only for purposes of administering local number portability. The Commission shall have access to all data reported to the Administrator. Contributors may make requests for Commission nondisclosure of company-specific revenue information under § 0.459 of this Chapter by so indicating on the Telecommunications Reporting Worksheet at the time that the subject data are submitted. The Commission shall make all decisions regarding nondisclosure of company-specific information.

(d) Once a telecommunications carrier has been allocated, pursuant to subparagraph (a)(1) or (a)(2) of this section, its portion of the shared costs of long-term number portability attributable to a regional database, the carrier shall treat that portion as a carrier-specific cost directly related to providing number portability.

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PART 54 - UNIVERSAL SERVICE

Part 54 of Title 47 of the Code of Federal Regulations is amended as follows:

1. The authority citation for Part 54 continues to read as follows:

AUTHORITY: 47 U.S.C. 1, 4(i), 201, 205, 214, and 254 unless otherwise noted.

2. Section 54.708 is amended to read as follows:

§ 54.708 De minimis exemption.

If a contributor's contribution to universal service in any given year is less than \$10,000 that contributor will not be required to submit a contribution or Telecommunications Reporting Worksheet for that year unless it is required to do so by our rules governing Telecommunications Relay Service (47 C.F.R. §§ 64.601 et seq.), numbering administration (47 C.F.R. §§ 52.1 et seq.), or shared costs of local number portability (47 C.F.R. §§ 52.21 et seq.). If a contributor improperly claims exemption from the contribution requirement, it will be subject to the criminal provisions of sections 220(d) and (e) of the Act regarding willful false submissions and will be required to pay the amounts withheld plus interest.

3. Section 54.709 is amended to read as follows:

§ 54.709 Computations of required contributions to universal service support mechanisms.

(a) Contributions to the universal service support mechanisms shall be based on contributors' end-user telecommunications revenues and contribution factors determined quarterly by the Commission.

(1) * * *

(2) The quarterly universal service contribution factors shall be based on the ratio of total projected quarterly expenses of the universal service support programs to total end-user telecommunications revenues. The Commission shall determine two contribution factors, one of which shall be applied to interstate and international end-user telecommunications revenues and the other of which shall be applied to interstate, intrastate, and international end-user telecommunications revenues. The Commission shall approve the Administrator's quarterly projected costs of universal service support programs, taking into account demand for support and administrative expenses. The total subject revenues shall be compiled by the Administrator based on information contained in the Telecommunications Reporting Worksheets described in § 54.711(a).

(3)-(5) * * *

(b) * * *

(c) * * *

(d) If a contributor fails to file a Telecommunications Reporting Worksheet by the date on which it is due, the Administrator shall bill that contributor based on whatever relevant data the Administrator has available, including, but not limited to, the number of lines presubscribed to the contributor and data from previous years, taking into consideration any estimated changes in such data.

4. Section 54.711 is amended to read as follows:

§ 54.711 Contributor reporting requirements.

(a) Contributions shall be calculated and filed in accordance with the Telecommunications Reporting Worksheet which shall be published in the Federal Register. The Telecommunications Reporting Worksheet sets forth information that the contributor must submit to the Administrator on a semi-annual basis. The Commission shall announce by Public Notice published in the Federal Register and on its website the manner of payment and dates by which payments must be made. An officer of the contributor must certify to the

truth and accuracy of the Telecommunications Reporting Worksheet, and the Commission or the Administrator may verify any information contained in the Telecommunications Reporting Worksheet at the discretion of the Commission. Inaccurate or untruthful information contained in the Telecommunications Reporting Worksheet may lead to prosecution under the criminal provisions of Title 18 of the United States Code. The Administrator shall advise the Commission of any enforcement issues that arise and provide any suggested response.

(b) The Commission shall have access to all data reported to the Administrator. Contributors may make requests for Commission nondisclosure of company-specific revenue information under § 0.459 of this Chapter by so indicating on the Telecommunications Reporting Worksheet at the time that the subject data are submitted. The Commission shall make all decisions regarding nondisclosure of company-specific information. The Administrator shall keep confidential all data obtained from contributors, shall not use such data except for purposes of administering the universal service support programs, and shall not disclose such data in company-specific form unless directed to do so by the Commission. Subject to any restrictions imposed by the Chief of the Common Carrier Bureau, the Universal Service Administrator may share data obtained from contributors with the administrators of the North American Numbering Plan administration cost recovery (See 47 C.F.R. Sec. 52.16), the local number portability cost recovery (See 47 C.F.R. Sec. 52.32), and the TRS Fund (See 47 C.F.R. Sec. 64.604(c)(4)(iii)(H)). The Administrator shall keep confidential all data obtained from other administrators and shall not use such data except for purposes of administering the universal service support mechanisms.

(c) The Bureau may waive, reduce, modify, or eliminate contributor reporting requirements that prove unnecessary and require additional reporting requirements that the Bureau deems necessary to the sound and efficient administration of the universal service support mechanisms.

5. Section 54.713 is amended to read as follows:

§ 54.713 Contributors' failure to report or to contribute.

A contributor that fails to file a Telecommunications Reporting Worksheet and subsequently is billed by the Administrator shall pay the amount for which it is billed. The Administrator may bill a contributor a separate assessment for reasonable costs incurred because of that contributor's filing of an untruthful or inaccurate Telecommunications Reporting Worksheet, failure to file the Telecommunications Reporting Worksheet, or late payment of contributions. Failure to file the Telecommunications Reporting Worksheet or to submit required quarterly contributions may subject the contributor to the enforcement provisions of the Act and any other applicable law. The Administrator shall advise the Commission of any enforcement issues that arise and provide any suggested response. Once a contributor complies with the Telecommunications Reporting Worksheet filing requirements, the Administrator may refund any overpayments made by the contributor, less any fees, interest, or costs.

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PART 64 - MISCELLANEOUS RULES RELATING TO COMMON CARRIERS

Part 64 of Title 47 of the Code of Federal Regulations (C.F.R) is amended as follows:

1. The authority citation for Part 64 continues to read as follows:

AUTHORITY: 47 U.S.C. 154, 254(k); secs. 403(b)(2), (c), Public Law 104-104, 110 Stat. 56, Interpret or apply 47 U.S.C. secs. 201, 218, 226, 228, and 254(k) unless otherwise noted.

2. Section 64.604(c)(4)(iii) of the Commission's rules is amended to read as follows:

§ 64.604 Mandatory Minimum Standards

(a) * * *

(b) * * *

(c) Functional standards--

(i) * * *

(iii) * * *

(iii) Telecommunications Relay Services Fund.

(1) ***

(2) ***

(3) ***

(4) Jurisdictional Separation of Costs

(A) Contributions. Every carrier providing interstate telecommunications services shall contribute to the TRS Fund on the basis of its relative share of interstate end-user telecommunications revenues as described herein. Contributions shall be made by all carriers who provide interstate services, including, but not limited to, cellular telephone and paging, mobile radio, operator services, personal communications service (PCS), access (including subscriber line charges), alternative access and special access, packet-switched, WATS, 800, 900, message telephone service (MTS), private line, telex, telegraph, video, satellite, intraLATA, international and resale services.

(B) Contribution computations. Contributors' contribution to the TRS Fund shall be the product of their subject revenues for the prior calendar year and a contribution factor determined annually by the Commission. The contribution factor shall be based on the ratio between expected TRS Fund expenses to interstate end-user telecommunications revenues. In the event that contributions exceed TRS payments and administrative costs, the contribution factor for the following year will be adjusted by an appropriate amount, taking into consideration projected cost and usage changes. In the event that contributions are inadequate, the fund administrator may request authority from the Commission to borrow funds commercially, with such debt secured by future years contributions. Each subject carrier must contribute at least \$25 per year. Carriers whose annual contributions total less than \$1,200 must pay the entire contribution at the beginning of the contribution period. Carriers whose contributions total \$1,200 or more may divide their contributions into equal monthly payments. Carriers shall complete and submit, and contributions shall be based on, a "Telecommunications Reporting Worksheet" (as published by the Commission in the Federal Register). The worksheet shall be certified to by an officer of the contributor, and subject to verification by the Commission or the administrator at the discretion of the Commission. Contributors' statements in the worksheet shall be subject to the provisions of section 220 of the Communications Act of 1934, as amended. The fund administrator may bill contributors a separate assessment for reasonable administrative expenses and interest resulting from improper filing or overdue contributions. The Chief of the Common Carrier Bureau may waive, reduce, modify, or eliminate contributor reporting requirements that prove unnecessary and require additional reporting requirements that the Bureau deems necessary to the sound and efficient administration of the TRS Fund.

(C) - (H) * * *

(I) Information filed with the administrator. The administrator shall keep all data obtained from contributors and TRS providers confidential and shall not disclose such data in company-specific form unless directed to do so by the Commission. Subject to any restrictions imposed by the Chief of the Common Carrier Bureau, the TRS Fund administrator may share data obtained from carriers with the administrators of the universal service support mechanisms (See 47 C.F.R. Sec. 54.701), the North American Numbering Plan administration cost recovery (See 47 C.F.R. Sec. 52.16), and the long-term local number portability cost recovery (See 47 C.F.R. Sec. 52.32). The TRS Fund Administrator shall keep confidential all data obtained from other administrators. The administrator shall not use such data, from carriers or administrators, except for purposes of administering the TRS Fund, calculating the regulatory fees of interstate common carriers, and aggregating such fee payments for submission to the Commission. The Commission shall have access to all data reported to the administrator, and authority to audit TRS providers. Contributors may make requests for Commission nondisclosure of company-specific revenue information under § 0.459 of this Chapter by so indicating on the Telecommunications Reporting Worksheet at the time that the subject data are submitted. The Commission shall make all decisions regarding nondisclosure of company-specific information.

(J) * * *

(K) * * *

(S) * * *

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APPENDIX C -- FINAL REGULATORY FLEXIBILITY ACT ANALYSIS

1. In compliance with the Regulatory Flexibility Act (RFA),¹ an Initial Regulatory Flexibility Analysis (IRFA) was incorporated into the *Contributor Reporting Requirements Notice*. The Commission sought written public comment on the proposals in the Notice, including comment on the IRFA. The comments received are discussed below. This present Final Regulatory Flexibility Analysis (FRFA) conforms to the RFA.²

I. Need for, and Objectives of, the *Contributor Reporting Requirements Order*:

2. The Commission undertakes this examination of its contributor reporting requirements³ as a part of its 1998 biennial review of regulations as required by section 11 of the Communications Act, as amended.⁴ This Order simplifies the Commission's filing requirements by consolidating several different forms currently filed under our existing rules associated with the Telecommunications Relay Services (TRS) Fund,⁵ federal universal service support mechanisms,⁶ the cost recovery mechanism for the North American Numbering Plan (NANP) administration,⁷ and the cost recovery mechanism for long-term local number portability (LNP) administration.⁸ This Order also establishes end-user telecommunications revenues as the basis for contributions to the NANP and TRS mechanisms -- making consistent the revenue bases for all four support and cost recovery mechanisms. Our objective is to reduce or eliminate unnecessary or duplicative regulatory requirements, consistent with section 11 of the Act,⁹ and the Telecommunications Act of 1996.¹⁰

¹ See 5 U.S.C. § 603. The RFA, *see* 5 U.S.C. § 601 *et seq.*, has been amended by the Contract With America Advancement Act of 1996, Pub. L. No. 104-121, 110 Stat. 847 (1996) (CWAAA). Title II of the CWAAA is the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA).

² See 5 U.S.C. § 604.

³ See 47 C.F.R. §§ 64.601 *et seq.*; 47 C.F.R. §§ 54.1 *et seq.*; 47 C.F.R. §§ 52.1 *et seq.*; 47 C.F.R. §§ 52.21 *et seq.*

⁴ 47 U.S.C. § 161.

⁵ 47 C.F.R. §§ 64.601 *et seq.*

⁶ 47 C.F.R. §§ 54.1 *et seq.*, 69.1 *et seq.*

⁷ 47 C.F.R. §§ 52.1 *et seq.*

⁸ 47 C.F.R. §§ 52.21 *et seq.*

⁹ 47 U.S.C. § 161.

II. Summary of Significant Issues Raised by Public Comments in Response to the IRFA

3. Only one party filed comments addressing the Commission's compliance with the RFA,¹¹ but many parties commented on the Commission's proposals to streamline the Commission's reporting requirements. As noted above, the record provided by all of these commenting parties clearly supports the Commission's efforts to reduce the amount of paperwork required by the current contributor reporting requirements.¹² Consistent with those comments, this Order reduces significantly the amount of paperwork required of telecommunications carriers.

4. In comments to the Notice, GST argues that the proposed Telecommunications Reporting Worksheet is particularly burdensome for small carriers because it assumes that small carriers have developed sophisticated accounting infrastructure.¹³ We disagree with GST's assessment and note that the worksheet provides flexibility for carriers that do not have sophisticated accounting systems. In contrast to GST's portrayal, the categories of revenue sought in the worksheet correspond to major categories of service, reflecting our expectation that most carriers track the relative magnitudes of their major product offerings for internal management reporting and cost accounting purposes. GST offers no evidence to the contrary. The worksheet collects the minimum amount of information necessary to ensure that individual carriers and segments of the industry are contributing on a fair and equitable basis. Further, the worksheet and its instructions incorporate alternative, less burdensome approaches where it has been determined that supplying certain information is particularly burdensome for certain carriers. Thus, for example, the worksheet permits carriers to use good faith estimates to determine interstate and international revenues where these figures cannot be directly determined from corporate books of account or subsidiary records. Similarly, we adopt a streamlined version of the worksheet to satisfy the September universal service filing and to reduce costs for carriers.

5. While not in direct response to the IRFA, both NECA and Blooston encourage the Commission not to implement an electronic filing system that would require costly investments by small carriers.¹⁴ We agree that proposals for electronic filing of the Telecommunications Reporting Worksheet should not require expensive start-up costs for

¹⁰ Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996 Act), *codified at* 47 U.S.C. §§ 151 *et seq.* See Joint Explanatory Statement of the Committee of Conference, S. Conf. Rep. No. 230, 104th Cong., 2d Sess. 113 (1996) (Joint Explanatory Statement).

¹¹ See GST Comments at 15.

¹² See Section III.B. (discussing use of a consolidated worksheet).

¹³ See GST Comments at 7, 9, 15.

¹⁴ NECA Comments at 4; Blooston Reply Comments at 9.

filers, so that all carriers, including small entities, should be able to utilize a more efficient system.¹⁵

IV. Description and Estimate of the Number of Small Entities to Which the Rules Will Apply:

6. The Commission's contributor reporting requirements apply to a wide range of entities, including all telecommunications carriers and other providers of interstate telecommunications that offer telecommunications for a fee.¹⁶ Thus, we expect that the rules adopted in this Order will have a positive economic impact on a substantial number of small entities. Based on the number of carriers that file the existing forms -- and this Order does not increase the number of entities that must comply with these requirements -- we predict that not more than 5,000 entities, total, will file the worksheet. Of those 5,000 potential filers, we do not know how many are small entities, but we offer below a detailed estimate of the number of small entities within each of several major carrier-type categories. We state, again, that the economic impact of these proposals is, of course, a positive and beneficial impact, in the form of reduced regulatory burdens and recordkeeping requirements, for these entities.

7. To estimate the number of small entities that would benefit from this positive economic impact, we first consider the statutory definition of "small entity" under the RFA. The RFA generally defines "small entity" as having the same meaning as the term "small business," "small organization," and "small governmental jurisdiction."¹⁷ In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act, unless the Commission has developed one or more definitions that are appropriate to its activities.¹⁸ Under the Small Business Act, a "small business concern" is one that: (1) is independently owned and operated; (2) is not dominant in its field of

¹⁵ See Section III.I. (discussing electronic filing).

¹⁶ 47 C.F.R. §§ 52.17 (applying to all telecommunications carriers), 52.32 (applying to all telecommunications carriers), 54.703 (applying to every telecommunications carrier that provides interstate telecommunications services, every provider of interstate telecommunications that offers telecommunications for a fee on a non-common carrier basis, and certain payphone providers), 64.604(c)(4)(iii)(A) (applying to every carrier providing interstate telecommunications services). We note that the Commission's rules for universal service exempt certain small contributors, *i.e.*, contributors that have revenue below a stated threshold. 47 C.F.R. § 54.705.

¹⁷ 5 U.S.C. § 601(6).

¹⁸ 5 U.S.C. § 601(3) (incorporating by reference the definition of "small business concern" in 5 U.S.C. § 632). Pursuant to 5 U.S.C. § 601(3), the statutory definition of a small business applies "unless an agency after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition in the Federal Register."

operation; and (3) meets any additional criteria established by the Small Business Administration (SBA).¹⁹ The SBA has defined a small business for Standard Industrial Classification (SIC) categories 4812 (Radiotelephone Communications) and 4813 (Telephone Communications, Except Radiotelephone) to be small entities when they have no more than 1,500 employees.²⁰ We first discuss the number of small telephone companies falling within these SIC categories, then attempt to refine further those estimates to correspond with the categories of telephone companies that are commonly used under our rules.

8. The most reliable source of information regarding the total numbers of certain common carrier and related providers nationwide, as well as the numbers of commercial wireless entities, appears to be data the Commission publishes annually in its *Carrier Locator* report, derived from filings made in connection with the Telecommunications Relay Service (TRS).²¹ According to data in the most recent report, there are 3,604 interstate carriers.²² These carriers include, *inter alia*, local exchange carriers, wireline carriers and service providers, interexchange carriers, competitive access providers, operator service providers, pay telephone operators, providers of telephone toll service, providers of telephone exchange service, and resellers.

9. Although some affected incumbent local exchange carriers (ILECs) may have 1,500 or fewer employees, we do not believe that such entities should be considered small entities within the meaning of the RFA because they are either dominant in their field of operations or are not independently owned and operated, and therefore by definition not "small entities" or "small business concerns" under the RFA. Accordingly, our use of the terms "small entities" and "small businesses" does not encompass small ILECs. Out of an abundance of caution, however, for regulatory flexibility analysis purposes, we will separately consider small ILECs within this analysis and use the term "small ILECs" to refer to any ILECs that arguably might be defined by the SBA as "small business concerns."²³

¹⁹ 15 U.S.C. § 632. See, e.g., *Brown Transport Truckload, Inc. v. Southern Wipers, Inc.*, 176 B.R. 82 (N.D. Ga. 1994).

²⁰ 13 C.F.R. § 121.201.

²¹ FCC, *Carrier Locator: Interstate Service Providers*, Figure 1 (Jan. 1999) (*Carrier Locator*). See also 47 C.F.R. § 64.601 *et seq.*

²² *Carrier Locator* at Fig. 1.

²³ See 13 C.F.R. § 121.201, Standard Industrial Classification (SIC) 4813. Since the time of the Commission's 1996 decision, *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, First Report and Order*, 11 FCC Rcd 15499, 16144-45 (1996), 61 FR 45476 (August 29, 1996), the Commission has consistently addressed in its regulatory flexibility analyses the impact of its rules on such ILECs.

10. *Total Number of Telephone Companies Affected.* The United States Bureau of the Census ("the Census Bureau") reports that, at the end of 1992, there were 3,497 firms engaged in providing telephone services, as defined therein, for at least one year.²⁴ This number contains a variety of different categories of carriers, including local exchange carriers, interexchange carriers, competitive access providers, cellular carriers, mobile service carriers, operator service providers, pay telephone operators, PCS providers, covered SMR providers, and resellers. It seems certain that some of those 3,497 telephone service firms may not qualify as small entities or small incumbent LECs because they are not "independently owned and operated."²⁵ For example, a PCS provider that is affiliated with an interexchange carrier having more than 1,500 employees would not meet the definition of a small business. It seems reasonable to conclude, therefore, that fewer than 3,497 telephone service firms are small entity telephone service firms or small incumbent LECs that may be affected by the decisions and rule changes adopted in this Order.

11. *Wireline Carriers and Service Providers.* SBA has developed a definition of small entities for telephone communications companies other than radiotelephone companies. The Census Bureau reports that, there were 2,321 such telephone companies in operation for at least one year at the end of 1992.²⁶ According to SBA's definition, a small business telephone company other than a radiotelephone company is one employing no more than 1,500 persons.²⁷ All but 26 of the 2,321 non-radiotelephone companies listed by the Census Bureau were reported to have fewer than 1,000 employees. Thus, even if all 26 of those companies had more than 1,500 employees, there would still be 2,295 non-radiotelephone companies that might qualify as small entities or small incumbent LECs. Although it seems certain that some of these carriers are not independently owned and operated, we are unable at this time to estimate with greater precision the number of wireline carriers and service providers that would qualify as small business concerns under SBA's definition. Consequently, we estimate that there are fewer than 2,295 small entity telephone communications companies other than radiotelephone companies that may be affected by the decisions and rule changes adopted in this Order.

12. *Local Exchange Carriers, Interexchange Carriers, Competitive Access Providers, Operator Service Providers, and Resellers.* Neither the Commission nor SBA has developed a definition of small local exchange carriers (LECs), interexchange carriers (IXCs), competitive access providers (CAPs), operator service providers (OSPs), or resellers. The closest applicable definition for these carrier-types under SBA rules is for telephone

²⁴ United States Department of Commerce, Bureau of the Census, *1992 Census of Transportation, Communications, and Utilities: Establishment and Firm Size*, at Firm Size 1-123 (1995) ("1992 Census").

²⁵ 15 U.S.C. § 632(a)(1).

²⁶ 1992 Census, *supra*, at Firm Size 1-123.

²⁷ 13 C.F.R. § 121.201, SIC Code 4813.

communications companies other than radiotelephone (wireless) companies.²⁸ The most reliable source of information regarding the number of these carriers nationwide of which we are aware appears to be the data that we collect annually in connection with the Telecommunications Relay Service (TRS).²⁹ According to our most recent data, there are 1,410 LECs, 151 IXC, 129 CAPs, 32 OSPs, and 351 resellers.³⁰ Although it seems certain that some of these carriers are not independently owned and operated, or have more than 1,500 employees, we are unable at this time to estimate with greater precision the number of these carriers that would qualify as small business concerns under SBA's definition. Consequently, we estimate that there are fewer than 1,410 small entity LECs or small incumbent LECs, 151 IXC, 129 CAPs, 32 OSPs, and 351 resellers that may be affected by the decisions and rule changes adopted in this Order.

13. *Wireless (Radiotelephone) Carriers.* SBA has developed a definition of small entities for radiotelephone (wireless) companies. The Census Bureau reports that there were 1,176 such companies in operation for at least one year at the end of 1992.³¹ According to SBA's definition, a small business radiotelephone company is one employing no more than 1,500 persons.³² The Census Bureau also reported that 1,164 of those radiotelephone companies had fewer than 1,000 employees. Thus, even if all of the remaining 12 companies had more than 1,500 employees, there would still be 1,164 radiotelephone companies that might qualify as small entities if they are independently owned and operated. Although it seems certain that some of these carriers are not independently owned and operated, we are unable at this time to estimate with greater precision the number of radiotelephone carriers and service providers that would qualify as small business concerns under SBA's definition. Consequently, we estimate that there are fewer than 1,164 small entity radiotelephone companies that may be affected by the decisions and rule changes adopted in this Order.

14. *Cellular, PCS, SMR and Other Mobile Service Providers.* In an effort to further refine our calculation of the number of radiotelephone companies that may be affected by the rules adopted herein, we consider the data that we collect annually in connection with the TRS for the subcategories Wireless Telephony (which includes Cellular, PCS, and SMR) and Other Mobile Service Providers. Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to these broad subcategories, so we will utilize the closest applicable definition under SBA rules -- which, for both categories, is for

²⁸ 13 C.F.R. § 121.210, SIC Code 4813.

²⁹ See 47 C.F.R. § 64.601 *et seq.*; *Carrier Locator* at Fig. 1.

³⁰ *Carrier Locator* at Fig. 1. The total for resellers includes both toll resellers and local resellers.

³¹ United States Department of Commerce, Bureau of the Census, *1992 Census of Transportation, Communications, and Utilities: Establishment and Firm Size*, at Firm Size 1-123 (1995) ("1992 Census").

³² 13 C.F.R. § 121.201, SIC Code 4812.

telephone companies other than radiotelephone (wireless) companies.³³ To the extent that the Commission has adopted definitions for small entities providing PCS and SMR services, we discuss those definitions below. According to our most recent TRS data, 732 companies reported that they are engaged in the provision of Wireless Telephony services and 23 companies reported that they are engaged in the provision of Other Mobile Services.³⁴ Although it seems certain that some of these carriers are not independently owned and operated, or have more than 1,500 employees, we are unable at this time to estimate with greater precision the number of Wireless Telephony Providers and Other Mobile Service Providers, except as described below, that would qualify as small business concerns under SBA's definition. Consequently, we estimate that there are fewer than 732 small entity Wireless Telephony Providers and fewer than 23 small entity Other Mobile Service Providers that might be affected by the decisions and rule changes adopted in this Order.

15. *Broadband PCS Licensees.* The broadband PCS spectrum is divided into six frequency blocks designated A through F, and the Commission has held auctions for each block. The Commission defined "small entity" for Blocks C and F as an entity that has average gross revenues of less than \$40 million in the three previous calendar years.³⁵ For Block F, an additional classification for "very small business" was added, and is defined as an entity that, together with its affiliates, has average gross revenues of not more than \$15 million for the preceding three calendar years.³⁶ These regulations defining "small entity" in the context of broadband PCS auctions have been approved by SBA.³⁷ No small businesses within the SBA-approved definition bid successfully for licenses in Blocks A and B. There were 90 winning bidders that qualified as small entities in the Block C auctions. A total of 93 small and very small business bidders won approximately 40% of the 1,479 licenses for Blocks D, E, and F. However, licenses for Blocks C through F have not been awarded fully, therefore there are few, if any, small businesses currently providing PCS services. Based on this information, we estimate that the number of small broadband PCS licenses will include the 90 winning C Block bidders and the 93 qualifying bidders in the D, E, and F blocks, for a total of 183 small PCS providers as defined by the SBA and the Commissioner's auction rules.

³³ *Id.*

³⁴ *Carrier Locator* at Fig. 1.

³⁵ *See Amendment of Parts 20 and 24 of the Commission's Rules -- Broadband PCS Competitive Bidding and the Commercial Mobile Radio Service Spectrum Cap*, Report and Order, FCC 96-278, WT Docket No. 96-59, ¶¶ 57-60 (June 24, 1996), 61 FR 33859 (July 1, 1996); *see also* 47 C.F.R. § 24.720(b).

³⁶ *Id.*, at ¶ 60.

³⁷ *Implementation of Section 309(j) of the Communications Act -- Competitive Bidding*, PP Docket No. 93-253, Fifth Report and Order, 9 FCC Rcd 5532, 5581-84 (1994).

16. *SMR Licensees.* Pursuant to 47 C.F.R. § 90.814(b)(1), the Commission has defined "small entity" in auctions for geographic area 800 MHz and 900 MHz SMR licenses as a firm that had average annual gross revenues of less than \$15 million in the three previous calendar years. The definition of a "small entity" in the context of 800 MHz SMR has been approved by the SBA,³⁸ and approval for the 900 MHz SMR definition has been sought. The rules proposed in this FRFA may apply to SMR providers in the 800 MHz and 900 MHz bands that either hold geographic area licenses or have obtained extended implementation authorizations. We do not know how many firms provide 800 MHz or 900 MHz geographic area SMR service pursuant to extended implementation authorizations, nor how many of these providers have annual revenues of less than \$15 million. We assume, for purposes of this FRFA, that all of the extended implementation authorizations may be held by small entities, that may be affected by the decisions and rule changes adopted in this Order.

17. The Commission recently held auctions for geographic area licenses in the 900 MHz SMR band. There were 60 winning bidders who qualified as small entities in the 900 MHz auction. Based on this information, we conclude that the number of geographic area SMR licensees that may be affected by the decisions and rule changes adopted in this Order includes these 60 small entities. No auctions have been held for 800 MHz geographic area SMR licenses. Therefore, no small entities currently hold these licenses. A total of 525 licenses will be awarded for the upper 200 channels in the 800 MHz geographic area SMR auction. The Commission, however, has not yet determined how many licenses will be awarded for the lower 230 channels in the 800 MHz geographic area SMR auction. There is no basis, moreover, on which to estimate how many small entities will win these licenses. Given that nearly all radiotelephone companies have fewer than 1,000 employees and that no reliable estimate of the number of prospective 800 MHz licensees can be made, we assume, for purposes of this FRFA, that all of the licenses may be awarded to small entities who may be affected by the decisions and rule changes adopted in this Order.

18. *220 MHz Radio Service -- Phase I Licensees.* The 220 MHz service has both Phase I and Phase II licenses. There are approximately 1,515 such non-nationwide licensees and four nationwide licensees currently authorized to operate in the 220 MHz band. The Commission has not developed a definition of small entities specifically applicable to such incumbent 220 MHz Phase I licensees. To estimate the number of such licensees that are small businesses, we apply the definition under the SBA rules applicable to Radiotelephone

³⁸ See *Amendment of Parts 2 and 90 of the Commission's Rules to Provide for the Use of 200 Channels Outside the Designated Filing Areas in the 896-901 MHz and the 935-940 MHz Bands Allotted to the Specialized Mobile Radio Pool*, PR Docket No. 89-583, Second Order on Reconsideration and Seventh Report and Order, 11 FCC Rcd 2639, 2693-702 (1995); *Amendment of Part 90 of the Commission's Rules to Facilitate Future Development of SMR Systems in the 800 MHz Frequency Band*, PR Docket No. 93-144, First Report and Order, Eighth Report and Order, and Second Further Notice of Proposed Rulemaking, 11 FCC Rcd 1463 (1995).

Communications companies.³⁹ According to the Bureau of the Census, only 12 radiotelephone firms out of a total of 1,178 such firms which operated during 1992 had 1,000 or more employees.⁴⁰ Therefore, if this general ratio continues to 1999 in the context of Phase I 220 MHz licensees, we estimate that nearly all such licensees are small businesses under the SBA's definition.

19. *220 MHz Radio Service -- Phase II Licensees.* The Phase II 220 MHz service is a new service, and is subject to spectrum auctions. In the 220 MHz *Third Report and Order* we adopted criteria for defining small businesses and very small businesses for purposes of determining their eligibility for special provisions such as bidding credits and installment payments.⁴¹ We have defined a small business as an entity that, together with its affiliates and controlling principals, has average gross revenues not exceeding \$15 million for the preceding three years. Additionally, a very small business is defined as an entity that, together with its affiliates and controlling principals, has average gross revenues that are not more than \$3 million for the preceding three years.⁴² An auction of Phase II licenses commenced on September 15, 1998, and closed on October 22, 1998.⁴³ 908 licenses were auctioned in 3 different-sized geographic areas: three nationwide licenses, 30 Regional Economic Area Group Licenses, and 875 Economic Area (EA) Licenses. Of the 908 licenses auctioned, 693 were sold. Companies claiming small business status won: one of the Nationwide licenses, 67% of the Regional licenses, and 54% of the EA licenses. As of January 22, 1999, the Commission announced that it was prepared to grant 654 of the Phase II licenses won at auction.⁴⁴

³⁹ 13 C.F.R. § 121.201, SIC Code 4812. This definition provides that a small entity is a radiotelephone company employing no more than 1,500 persons.

⁴⁰ U.S. Bureau of the Census, U.S. Department of Commerce, 1992 Census of Transportation, Communications, and Utilities, UC92-S-1, Subject Series, Establishment and Firm Size, Table 5, Employment Size of Firms; 1992, SIC code 4812 (issued May 1995).

⁴¹ 220 MHz Third Report and Order, 12 FCC Rcd 10943, 11068-70, at paras. 291- 295 (1997). The SBA has approved these definitions. See Letter from A. Alvarez, Administrator, SBA, to D. Phythyon, Chief, Wireless Telecommunications Bureau, FCC (Jan. 6, 1998).

⁴² 220 MHz Third Report and Order, 12 FCC Rcd at 11068-69, para. 291.

⁴³ See generally Public Notice, "220 MHz Service Auction Closes," Report No. WT 98-36 (Wireless Telecom. Bur. Oct. 23, 1998).

⁴⁴ Public Notice, "FCC Announces It is Prepared to Grant 654 Phase II 220 MHz Licenses After final Payment is Made," Report No. AUC-18-H, DA No. 99-229 (Wireless Telecom. Bur. Jan. 22, 1999). A reauction of the remaining, unsold licenses is likely to take place during calendar year 1999.

20. *Paging.* The Commission has proposed a two-tier definition of small businesses in the context of auctioning licenses in the Common Carrier Paging and exclusive Private Carrier Paging services.⁴⁵ Under the proposal, a small business will be defined as either (1) an entity that, together with its affiliates and controlling principals, has average gross revenues for the three preceding years of not more than \$3 million, or (2) an entity that, together with affiliates and controlling principals, has average gross revenues for the three preceding calendar years of not more than \$15 million. Because the SBA has not yet approved this definition for paging services, we will utilize the SBA's definition applicable to radiotelephone companies, *i.e.*, an entity employing no more than 1,500 persons.⁴⁶ At present, there are approximately 24,000 Private Paging licenses and 74,000 Common Carrier Paging licenses. According to the most recent *Carrier Locator* data, 137 carriers reported that they were engaged in the provision of either paging or messaging services, which are placed together in the data.⁴⁷ We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of paging carriers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 137 small paging carriers that may be affected by the decisions and rule changes adopted in this Order. We estimate that the majority of private and common carrier paging providers would qualify as small entities under the SBA definition.

21. *Narrowband PCS.* The Commission has auctioned nationwide and regional licenses for narrowband PCS. There are 11 nationwide and 30 regional licensees for narrowband PCS. The Commission does not have sufficient information to determine whether any of these licensees are small businesses within the SBA-approved definition for radiotelephone companies. At present, there have been no auctions held for the major trading area (MTA) and basic trading area (BTA) narrowband PCS licenses. The Commission anticipates a total of 561 MTA licenses and 2,958 BTA licenses will be awarded by auction. Such auctions have not yet been scheduled, however. Given that nearly all radiotelephone companies have no more than 1,500 employees and that no reliable estimate of the number of prospective MTA and BTA narrowband licensees can be made, we assume, for purposes of this FRFA, that all of the licenses will be awarded to small entities, as that term is defined by the SBA.

22. *Rural Radiotelephone Service.* The Commission has not adopted a definition of small entity specific to the Rural Radiotelephone Service.⁴⁸ A significant subset of the Rural

⁴⁵ See 47 C.F.R. § 20.9(a)(1) (noting that private paging services may be treated as common carriage services).

⁴⁶ 13 C.F.R. § 121.201, SIC Code 4812.

⁴⁷ *Carrier Locator* at Fig. 1.

⁴⁸ The service is defined in section 22.99 of the Commission's rules, 47 C.F.R. § 22.99.

Radiotelephone Service is the Basic Exchange Telephone Radio Systems (BETRS).⁴⁹ We will use the SBA's definition applicable to radiotelephone companies, *i.e.*, an entity employing no more than 1,500 persons.⁵⁰ There are approximately 1,000 licensees in the Rural Radiotelephone Service, and we estimate that almost all of them qualify as small entities under the SBA's definition.

23. *Air-Ground Radiotelephone Service.* The Commission has not adopted a definition of small entity specific to the Air-Ground Radiotelephone Service.⁵¹ Accordingly, we will use the SBA's definition applicable to radiotelephone companies, *i.e.*, an entity employing no more than 1,500 persons.⁵² There are approximately 100 licensees in the Air-Ground Radiotelephone Service, and we estimate that almost all of them qualify as small entities under the SBA definition.

24. *Private Land Mobile Radio (PLMR).* PLMR systems serve an essential role in a range of industrial, business, land transportation, and public safety activities.⁵³ These radios are used by companies of all sizes operating in all U.S. business categories. The Commission has not developed a definition of small entity specifically applicable to PLMR licensees due to the vast array of PLMR users. For the purpose of determining whether a licensee is a small business as defined by the SBA, each licensee would need to be evaluated within its own business area.

25. The Commission is unable at this time to estimate the number of, if any, small businesses which could be impacted by the rules. However, the Commission's 1994 Annual Report on PLMRs⁵⁴ indicates that at the end of fiscal year 1994 there were 1,087,267 licensees operating 12,481,989 transmitters in the PLMR bands below 512 MHz. Because any entity engaged in a commercial activity is eligible to hold a PLMR license, the proposed rules in this context could potentially impact every small business in the United States.

⁴⁹ BETRS is defined in sections 22.757 and 22.759 of the Commission's rules, 47 C.F.R. §§ 22.757, 22.759.

⁵⁰ 13 C.F.R. § 121.201, SIC Code 4812.

⁵¹ The service is defined in section 22.99 of the Commission's rules, 47 C.F.R. § 22.99.

⁵² 13 C.F.R. § 121.201, SIC Code 4812.

⁵³ See 47 C.F.R. § 20.9(a)(2) (noting that certain Industrial/Business Pool service may be treated as common carriage service).

⁵⁴ Federal Communications Commission, *60th Annual Report, Fiscal Year 1994*, at 116.

26. *Fixed Microwave Services.* Microwave services include common carrier,⁵⁵ private-operational fixed,⁵⁶ and broadcast auxiliary radio services.⁵⁷ At present, there are approximately 22,015 common carrier fixed licensees in the microwave services. The Commission has not yet defined a small business with respect to microwave services. For purposes of this FRFA, we will utilize the SBA's definition applicable to radiotelephone companies -- i.e., an entity with no more than 1,500 persons.⁵⁸ We estimate, for this purpose, that all of the Fixed Microwave licensees (excluding broadcast auxiliary licensees) would qualify as small entities under the SBA definition for radiotelephone companies.

27. *Offshore Radiotelephone Service.* This service operates on several UHF TV broadcast channels that are not used for TV broadcasting in the coastal area of the states bordering the Gulf of Mexico.⁵⁹ At present, there are approximately 55 licensees in this service. We are unable at this time to estimate the number of licensees that would qualify as small entities under the SBA's definition for radiotelephone communications.

28. *Wireless Communications Services.* This service can be used for fixed, mobile, radio location and digital audio broadcasting satellite uses. The Commission defined "small business" for the wireless communications services (WCS) auction as an entity with average gross revenues of \$40 million for each of the three preceding years, and a "very small business" as an entity with average gross revenues of \$15 million for each of the three preceding years. The Commission auctioned geographic area licenses in the WCS service. In the auction, there were seven winning bidders that qualified as very small business entities, and one that qualified as a small business entity. We conclude that the number of geographic area WCS licensees that may be affected by the decisions and rule changes adopted in this Order includes these eight entities.

⁵⁵ 47 C.F.R. § 101 *et seq.* (formerly, Part 21 of the Commission's rules).

⁵⁶ Persons eligible under Parts 80 and 90 of the Commission's rules can use Private Operational-Fixed Microwave services. *See* 47 C.F.R. Parts 80 and 90. Stations in this service are called operational-fixed to distinguish them from common carrier and public fixed stations. Only the licensee may use the operational-fixed station, and only for communications related to the licensee's commercial, industrial, or safety operations.

⁵⁷ Auxiliary Microwave Service is governed by Part 74 of Title 47 of the Commission's Rules. *See* 47 C.F.R. § 74 *et seq.* Available to licensees of broadcast stations and to broadcast and cable network entities, broadcast auxiliary microwave stations are used for relaying broadcast television signals from the studio to the transmitter, or between two points such as a main studio and an auxiliary studio. The service also includes mobile TV pickups, which relay signals from a remote location back to the studio.

⁵⁸ 13 C.F.R. § 121.201, SIC Code 4812.

⁵⁹ This service is governed by Subpart I of Part 22 of the Commission's Rules. *See* 47 C.F.R. §§ 22.1001 - 22.1037.

IV. Description of Projected Reporting, Recordkeeping, and Other Compliance Requirements:

29. The decisions and rule changes adopted in this Order will reduce the reporting and recordkeeping requirements on telecommunications service providers regulated under the Communications Act. As currently structured, telecommunications carriers and other service providers having interstate revenues are required to file, at different times throughout the year, a number of contributor reporting worksheets that often reflect duplicative reporting requirements. In this Order, the Commission reduces these regulatory burdens by combining the multiple worksheets into one unified Telecommunications Reporting Worksheet. In addition, the Commission further reduces carrier filing burdens by allowing carriers to use the proposed Telecommunications Reporting Worksheet to designate agents for service of process pursuant to section 413 of the Communications Act of 1934, as amended.⁶⁰ We expect that, by adopting these proposals, telecommunications service providers will experience an appreciable reduction in reporting, recordkeeping, and other compliance burdens.

V. Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered:

30. In the *Contributor Reporting Requirements Notice*, the Commission sought comment on ways to simplify its contributor reporting requirements and, in particular, whether a unified worksheet would reduce regulatory and administrative burden on reporting carriers.⁶¹ Commenters were nearly unanimous in their support of the Commission's proposals in the Notice. In response to numerous proposals to modify the data collected in the worksheet, the Commission developed the final Telecommunications Reporting Worksheet so that it will collect the minimum information necessary to ensure the equitable and efficient funding of the support and cost recovery mechanisms.⁶² Accordingly, we conclude that the impact of this proceeding should be beneficial to small businesses because the decisions and rule changes adopted in this Order will reduce the reporting or recordkeeping requirements on all communications common carriers.

Report to Congress: The Commission will send a copy of the *Contributor Reporting Requirements Order*, including this FRFA, in a report to be sent to Congress pursuant to the Small Business Regulatory Enforcement Fairness Act of 1996.⁶³ In addition, the Commission will send a copy of the Order, including this FRFA, to the Chief Counsel for Advocacy of the

⁶⁰ 47 U.S.C. § 413.

⁶¹ See *Contributor Reporting Requirements Notice*, 13 FCC Rcd 19295, 19304.

⁶² See Section III. B. (discussing the use of a consolidated worksheet), III.D.2.b. (discussing the September universal service filing).

⁶³ See 5 U.S.C. § 801(a)(1)(A).

Small Business Administration. A copy of the Order and FRFA (or summaries thereof) will also be published in the Federal Register.⁶⁴

⁶⁴ See 5 U.S.C. § 604(b).

APPENDIX D -- TELECOMMUNICATIONS REPORTING WORKSHEET

April Version: FCC Form 499-A

1999 FCC Form 499A Telecommunications Reporting Worksheet

>>> Please read instructions before completing. <<<

Approval by OMB

3060-0855

Expires _/ _/ _

Annual Filing -- due April 1.

Block 1: Contributor Identification Information

101

Filer 499 ID

102 Legal name of reporting entity

103 IRS employer identification number

104 Name telecommunications service provider is doing business as

105 Principal communications business (check the one that best describes the reporting entity -- see directions)

☐ CAP/CLEC☐ Cellular/PCS/SMR (wireless telephony incl. by resale)☐ Incumbent LEC☐ IXC☐ Local Reseller☐ OSP☐ Paging & Messaging☐ Payphone Service Provider☐ Pre-paid Card☐ Private Service Provider☐ Satellite☐ Shared Tenant Service Provider☐ SMR (dispatch)☐ Toll Reseller☐ Wireless Data

If Other Local, Other Mobile or Other Toll is checked,

☐ Other Local☐ Other Mobile☐ Other Toll

describe carrier type / services provided:

106 Holding company [All affiliated companies should show same name here]

107 Management company (if carrier is managed by another entity)

108 Complete mailing address of reporting entity
corporate headquarters109 Complete business address for customer inquiries and complaints
(if different from address entered on Line 108)

110 Telephone # for customer inquiries and complaints

() -

111 Additional Names For Carrier Activities

f

a

g

b

h

c

i

d

j

e

k

Block 2-A: Personal Contact Information

112 Person who completed this worksheet

113 Telephone number of this person

() -

114 Fax number of this person

() -

115 E-mail of this person

116 Corporate office, attn. name, and mailing
address to which future Telecommunications
Reporting Worksheets should be sent

117 Billing address:

[Plan administrators will send bills for
contributions to this address]**Block 2-B: Agent for Service of Process**

118 D.C. Agent for Service of Process per 47 U.S.C 413

119 Telephone number of D.C. agent

() -

120 Fax number of D.C. agent

() -

121 E-mail of D.C. agent

122 Complete business address of D.C. agent
for hand service of documents

123 Alternate Agent for Service of Process (optional)

124 Telephone number of alternate agent

() -

125 Fax number of alternate agent

() -

126 E-mail of alternate agent

127 Complete business address of alternate
agent for hand service of documents

PERSONS MAKING WILLFUL FALSE STATEMENTS IN THE WORKSHEET CAN BE PUNISHED BY FINE OR IMPRISONMENT UNDER TITLE 18 OF THE UNITED STATES CODE, 18 U.S.C. §1001

FCC Form 499-A
July 1999

Block 3: Contributor Revenue Information

201

Filer 499 ID

202 Legal Name of Reporting Entity (from Line 101)		Total Revenue	Percent Interstate & International	Interstate and International Revenue
Report Billed Revenue for January 1 through December 31, 1998 Do not report any negative numbers. Dollar amounts may be rounded to the nearest thousand dollars. However, report all amounts as whole dollars. See instructions regarding percent interstate & international.		(a)	(b)	(c)
Revenue from Service Provided for Resale to Other Contributors to Federal Universal Service Support Mechanisms				
<u>Fixed local service</u>				
203	Monthly service, local calling, connection charges, vertical features, and other local exchange service including PICC charges to IXCs			
a	Provided as unbundled network elements			
b	Provided under other arrangements			
204	Per minute charges for originating or terminating calls			
a	Provided under state or federal access tariff			
b	Provided as unbundled network elements or other contract arrangement			
205	Local private line & special access			
206	Payphone compensation from toll carriers			
207	Other local telecommunications service revenues			
208	Universal service support revenue received from Federal or State Sources			
<u>Mobile service (including wireless telephony, paging & messaging, and other mobile services)</u>				
209	Monthly, activation, and message charges except toll			
<u>Toll service</u>				
210	Operator and toll calls with alternative billing arrangements (credit card, collect, international call-back, etc.)			
211	Ordinary Long Distance (MTS, customer toll free 800/888 service and switched services not reported above)			
212	Long distance private line services			
213	Satellite services			
214	All other long distance services			
Revenue From All Other Sources (end-user telecom. & non-telecom.)				
215	Surcharges or other amounts on bills identified as recovering State or Federal universal service contributions			
<u>Fixed local service</u>				
216	Monthly service, local calling, connection charges, vertical features, and other local exchange service charges except for federally tariffed subscriber line charges			
217	Tariffed subscriber line charges and PICC charges to end users			
218	Local private line and special access service			
219	Payphone coin revenues			
220	Other local telecommunications service revenues			
<u>Mobile service (including wireless telephony, paging & messaging, and other mobile services)</u>				
221	Monthly and activation charges			
222	Message charges including roaming but excluding toll charges			
<u>Toll service</u>				
223	Pre-paid calling card (including card sales to customers and to retail establishments)			
224	International calls that both originate and terminate in foreign points			
225	Operator and toll calls with alternative billing arrangements (credit card, collect, international call-back, etc.) other than revenue reported on line 224			
226	Ordinary Long Distance (MTS, customer toll free 800/888 service and switched services not reported above)			
227	Long distance private line services			
228	Satellite services			
229	All other long distance services			
230	Enhanced services, inside wiring maintenance, billing and collection, customer premises equipment, published directory, dark fiber and non-telecommunications service revenue			
231	Gross billed revenue from all sources (incl. reseller & non-telecom.)			
232	Universal service contribution bases (lines 215 through 223 & lines 225 through 229)			

PERSONS MAKING WILLFUL FALSE STATEMENTS IN THE WORKSHEET CAN BE PUNISHED BY FINE OR IMPRISONMENT UNDER TITLE 18 OF THE UNITED STATES CODE, 18 U.S.C. §1001

1999 FCC Form 499A Telecommunications Reporting Worksheet

Page 3

Block 4: CERTIFICATION: to signed by an officer of the filer

301

Filer 499 ID

302 Legal name of reporting entity (from Line 101)

Section IV of the instructions provides information on which types of reporting entities are required to file for which purposes. Any entity claiming to be exempt from one or more contribution requirements should so certify below and attach an explanation.

303 I certify that the reporting entity is exempt from contributing to:

Universal Service ☐

TRS ☐

NANPA ☐

LNP Administration ☐

Filers that did not certify that they are exempt from contributing to LNP administration in Line 304 must provide the following breakout:

Percentage of revenue reported in Block 3 billed in each region of the country. Round or estimate to nearest whole percentage. Enter 0 if no service was provided in the region.

Carrier's
Carrier
(a)

End
User
(b)

304	Southeast:	Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee and U.S. Virgin Islands	%	%
305	Western:	Alaska, Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	%	%
306	West Coast:	California, Hawaii, Nevada, American Samoa, Guam, Northern Mariana Islands, and Wake Island.	%	%
307	Mid-Atlantic:	Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia	%	%
308	Mid-West:	Illinois, Indiana, Michigan, Ohio, Wisconsin	%	%
309	Northeast:	Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont	%	%
310	Southwest:	Arkansas, Kansas, Missouri, Oklahoma, & Texas	%	%
311	Total	(Percentages must add to 0 or 100)	%	%

312 Revenues from resellers that do not contribute to Universal Service support mechanisms are included in Lines 215 through 229 but may be excluded from a filer's TRS, NANPA and LNP contribution bases. To have these amounts excluded, filer has the option of identifying such revenues.

	(a) Total Revenue	(c) Interstate and International
Revenues from resellers that do not contribute to Universal Service \$		\$

313 I certify that the revenue data contained herein is privileged and confidential and that public disclosure of such information would likely cause substantial harm to the competitive position of the company. I request nondisclosure of the revenue information contained herein pursuant to Sections 0.459, 52.17, 54.711 and 64.604 of the Commission's Rules. ☐

I certify that I am an officer of the above-named reporting entity, that I have examined the foregoing report and to the best of my knowledge, information and belief, all statements of fact contained in this Worksheet are true and that said Worksheet is an accurate statement of the affairs of the above-named company for the previous calendar year.

314 Signature

315 Printed name of officer

316 Position with reporting entity

317 Date

318 This filing is:

☐ Original filing

☐ Revised filing

Do not mail checks with this form. Send this form to: Telecommunications Reporting Worksheet, Box _____, _____
For additional information regarding this worksheet contact: Telecommunications Reporting Worksheet information (xxx) TBA-xxxx

PERSONS MAKING WILLFUL FALSE STATEMENTS IN THE WORKSHEET CAN BE PUNISHED BY FINE OR IMPRISONMENT UNDER TITLE 18 OF THE UNITED STATES CODE, 18 U.S.C. §1001

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July 1999